

## Message Text

LIMITED OFFICIAL USE

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ORIGIN NEA-10

INFO OCT-01 ISO-00 L-03 EB-08 COME-00 TRSE-00 OMB-01  
OPIC-03 CIAE-00 INR-07 NSAE-00 AID-05 XMB-02 /040 R

DRAFTED BY NEA/RA:DTMORRISON  
APPROVED BY NEA:SSOBER  
NEA/ARP:JCOUNTRYMAN(SUBS)  
L/NEA:DSMALL(INFO)  
EB/BP:WLOCKWOOD(INFO)  
USDOC/CAGNE:JHEARN(INFO)  
TREASURY:TSANTOS(INFO)  
-----088894 272330Z /62  
P 272314Z AUG 77  
FM SECSTATE WASHDC  
TO AMEMBASSY KUWAIT PRIORITY

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E.O. 11652: N/A

TAGS: ETRD, XF

SUBJECT: ARAB BOYCOTT: FRIESEN INTERNATIONAL

1. IN DEPARTMENT'S PREVIOUS DISCUSSIONS WITH REPRESENTA-  
TIVES OF FRIESEN INTERNATIONAL, WE HAVE NOTED SIGNIFICANT  
DISTINCTION BETWEEN USE OF COMPLIANCE WITH LAWS CLAUSE  
(I.E., COMPANY X AGREES TO COMPLY WITH LAWS OF COUNTRY Y)  
AND USE OF GOVERNING LAWS CLAUSE (I.E., TRANSACTION WILL  
BE GOVERNED BY LAWS OF COUNTRY Y OR LAWS OF COUNTRY Y WILL  
BE APPLICABLE TO TRANSACTION).

2. UNDER TREASURY GUIDANCE RE ANTI-BOYCOTT PROVISIONS OF  
TAX REFORM ACT OF 1976, USE OF COMPLIANCE WITH LAWS  
CLAUSE WOULD CAUSE LOSS OF VARIOUS TAX CREDIT, TAX  
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DEFERRAL OR DISC BENEFITS. USE OF GOVERNING LAWS CLAUSE  
WOULD NOT HAVE THIS SAME EFFECT.

3. GIVEN POSSIBILITY THAT SIMILAR DISTINCTION MIGHT BE  
MADE UNDER FORTHCOMING USDOC EXPORT ADMINISTRATION ACT  
REGULATIONS, ADDITIONAL REASON EXISTS FOR SEEKING BOY-  
COTTING COUNTRY ACCEPTANCE OF SUBSTITUTED USE OF GOVERNING

LAWS CLAUSES.

4. IF EMBASSY HAS OPPORTUNITY TO DISCUSS THIS MATTER  
WITH FRIESEN INTERNATIONAL REPS BEFORE FINAL LANGUAGE OF  
NEW CONTRACT IS LOCKED IN PLACE, WE SUGGEST YOU RAISE  
THIS ISSUE AND DETERMINE WHETHER FURTHER APPROACH TO GOVT  
OF KUWAIT IS ADVISABLE. VANCE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BOYCOTTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 27-Aug-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE205686  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** DTMORRISON  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770311-0019  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770815/aaaaamft.tel  
**Line Count:** 69  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** e5d7df51-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 21-Mar-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1458086  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ARAB BOYCOTT: FRIESEN INTERNATIONAL  
**TAGS:** ETRD, XF  
**To:** KUWAIT  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/e5d7df51-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
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